

# **FY 2014 City Manager Proposed Annual Operating Budget**

**City of Rocky Mount**

**May 2013**

# **Budget Objectives**

Emphasis on fiscal sustainability

Continue fostering operational excellence

Position Rocky Mount to grow tax base  
from within

Recognize employee performance

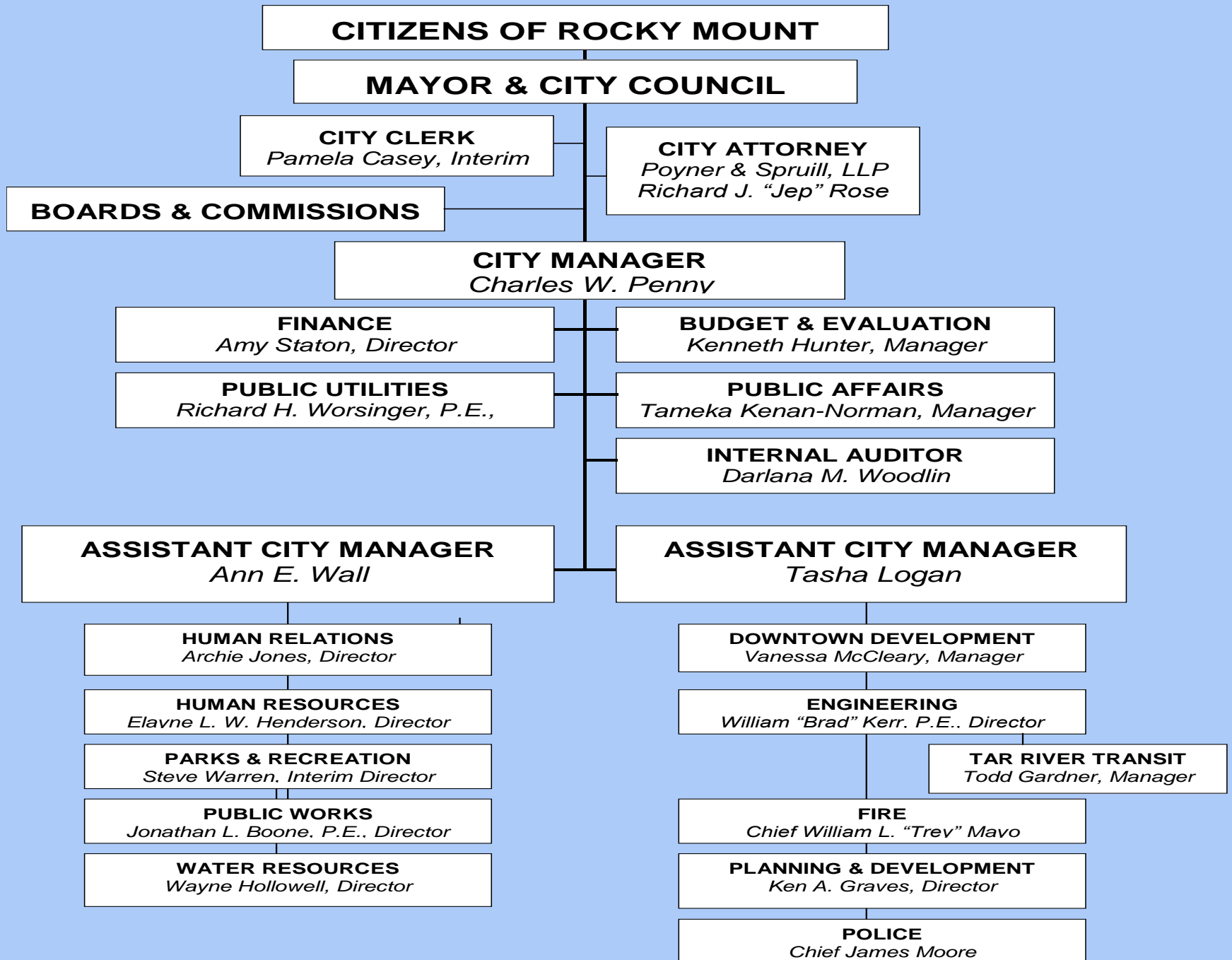
# **Budget Objectives**

Build fund balance

Limit build up of additional debt

Evaluate financial decisions based on  
current year and future impacts

Reorganize to achieve efficiency and  
operational effectiveness beyond FY 2014



# Challenges & Unknowns

How will the General Assembly's tax reform plans impact us?

Implementation of "Tax & Tag Together"  
(Fees, Management)

Continued sales tax volatility  
(Economic Impact & DOR Management Issues)

# **FY 2014 Proposed Budget Highlights**

Overall, 2% less than last year's proposal

General Fund also less than last year

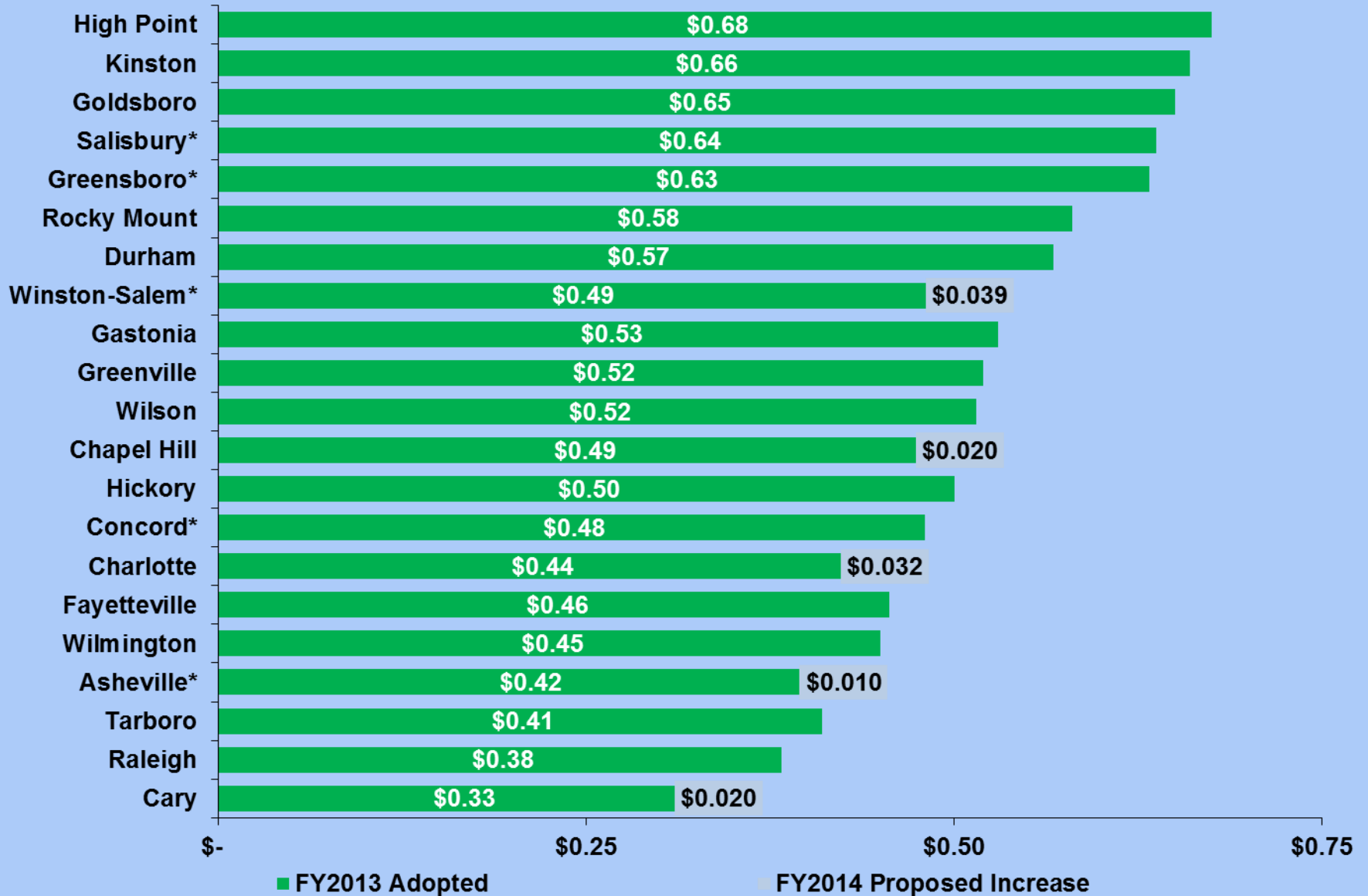
No property tax increases

2%-3.5% "Pay for Performance" Increase

# Proposed Appropriation Levels

	<b>FY 2013 Adopted Budget</b>	<b>FY 2013 Revised Budget</b>	<b>FY 2014 Proposed Budget</b>	<b>\$ Difference from FY 2013 Adopted</b>	<b>% Difference from FY 2013 Adopted</b>
General Fund	55,927,000	57,180,370	55,804,760	(122,240)	-0.2%
Powell Bill Fund	1,911,000	3,049,004	2,139,000	228,000	11.9%
E-911 Fund	359,000	359,000	343,700	(15,300)	-4.3%
General Capital Fund	1,340,000	4,629,286	628,500	(711,500)	-53.1%
Electric Fund	96,998,460	99,981,916	95,265,190	(1,733,270)	-1.8%
Gas Fund	23,778,500	24,946,485	23,673,000	(105,500)	-0.4%
Water Fund	12,780,000	14,540,321	12,858,100	78,100	0.6%
Sewer Fund	14,340,250	16,335,742	12,695,250	(1,645,000)	-11.5%
Stormwater Fund	4,759,200	5,793,780	4,394,500	(364,700)	-7.7%
	<b>212,193,410</b>	<b>226,815,904</b>	<b>207,802,000</b>	<b>(4,391,410)</b>	<b>-2.1%</b>

# FY 2014 Property Tax Rate Changes



\*Revaluation Year



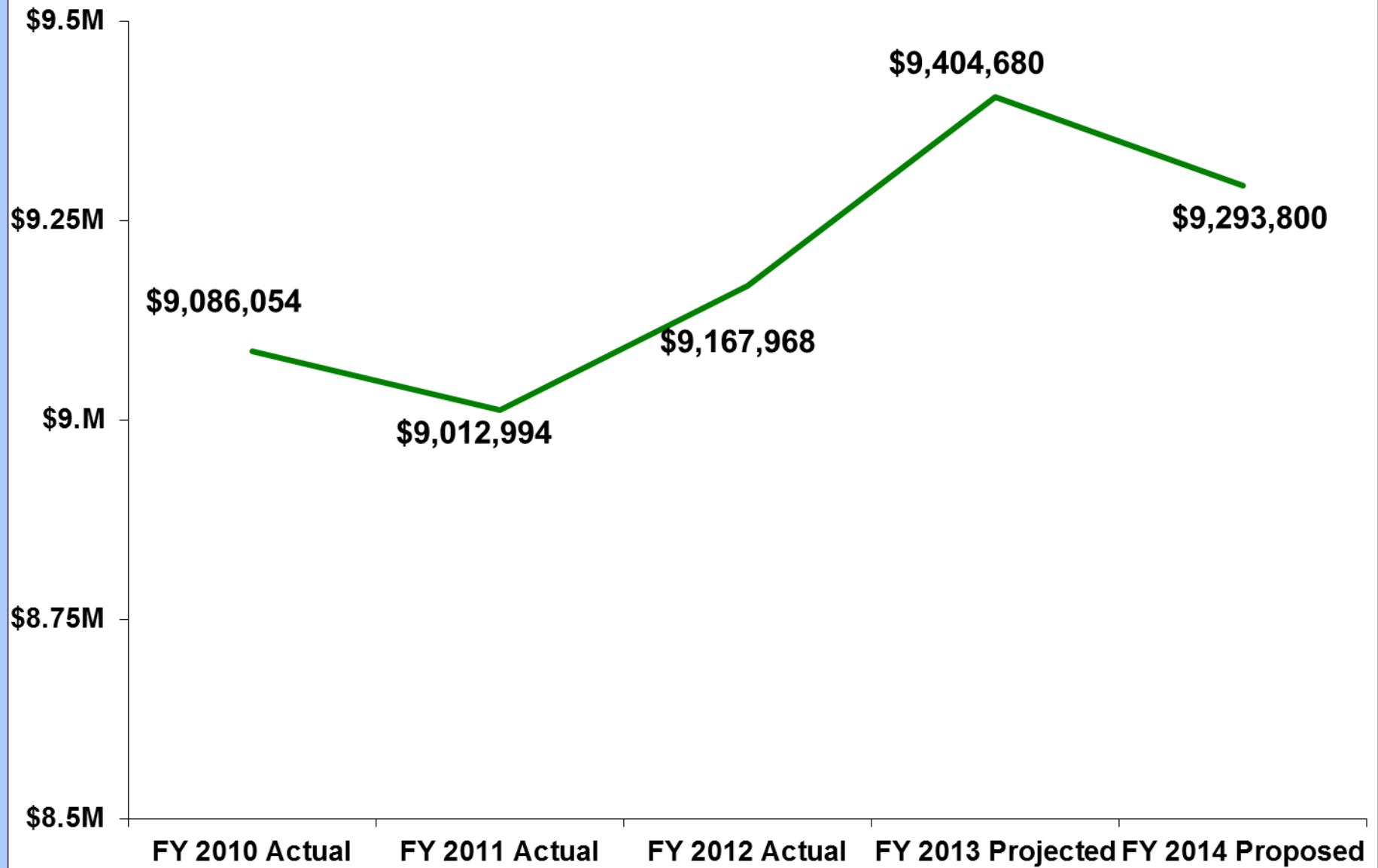
# Revenue Trends

Ad Valorem Stable & Improving

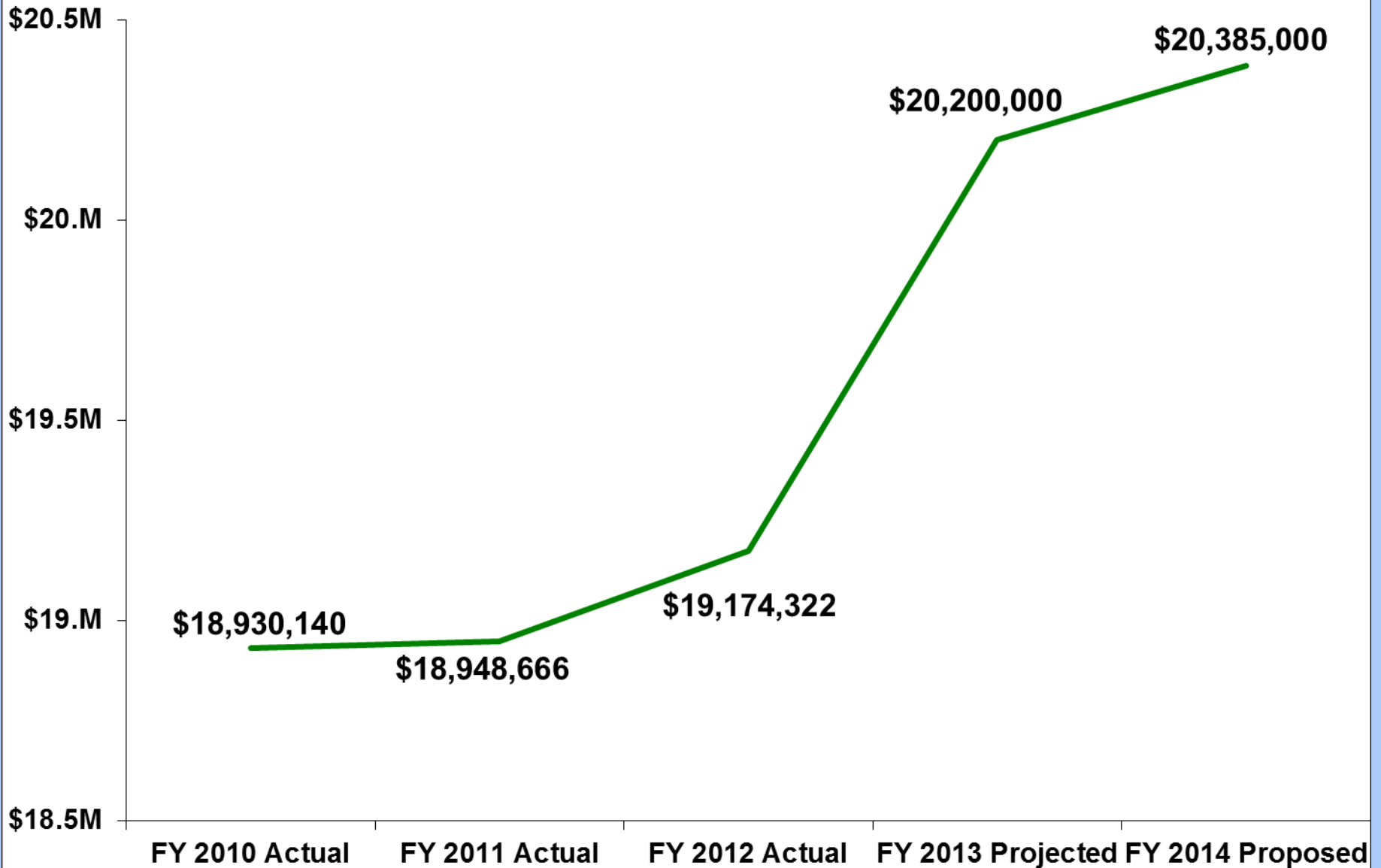
Sales Tax Uncertain

Little to no growth from other sources

## Combined Local Option Sales Tax, FY 2010 to FY 2014



## Ad Valorem Revenue, General Fund, FY 2010 to FY 2014



# **Current & Future Budget Challenges**

Unemployment Compensation Mandate

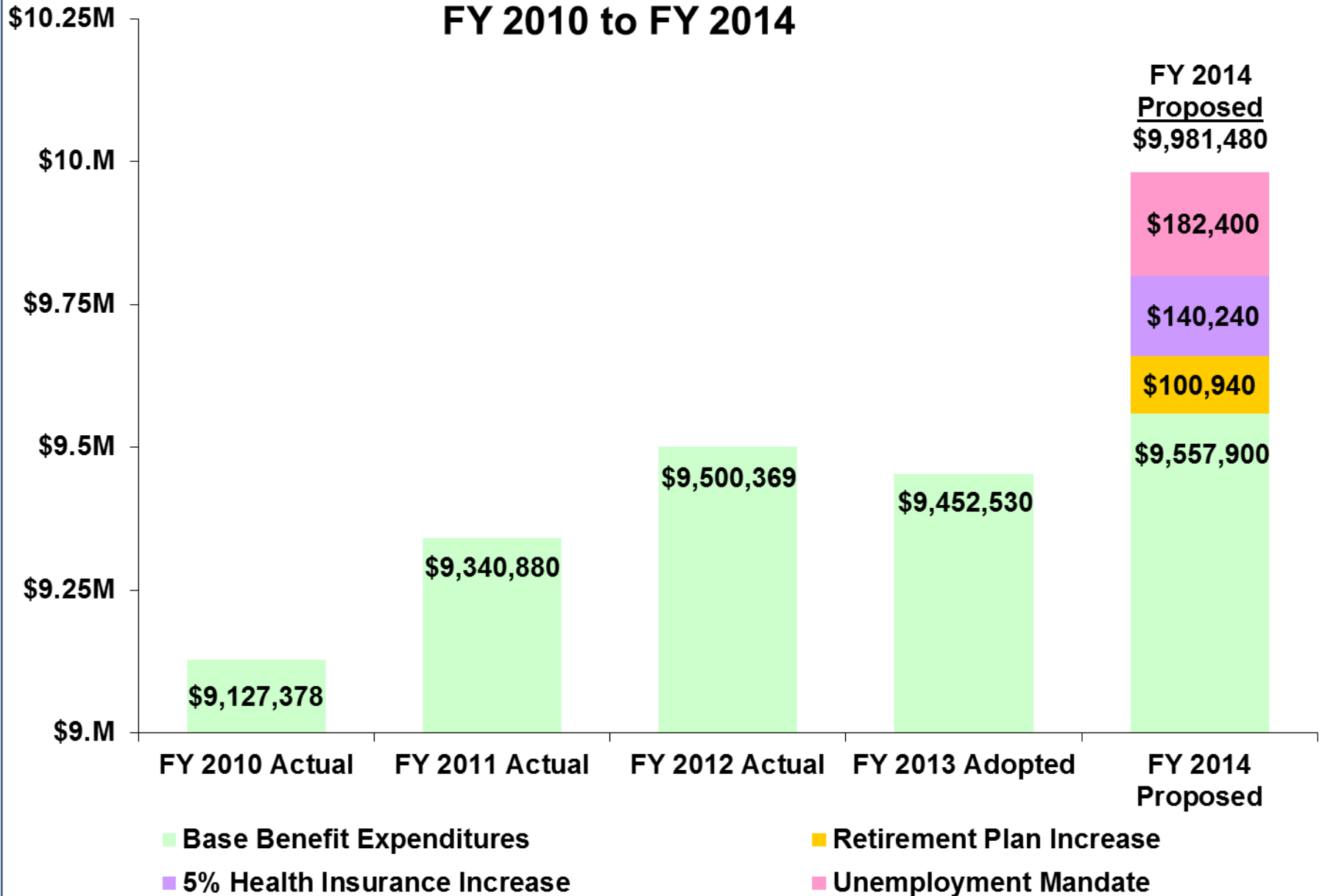
Retirement Contribution Increase

Health Insurance Increase

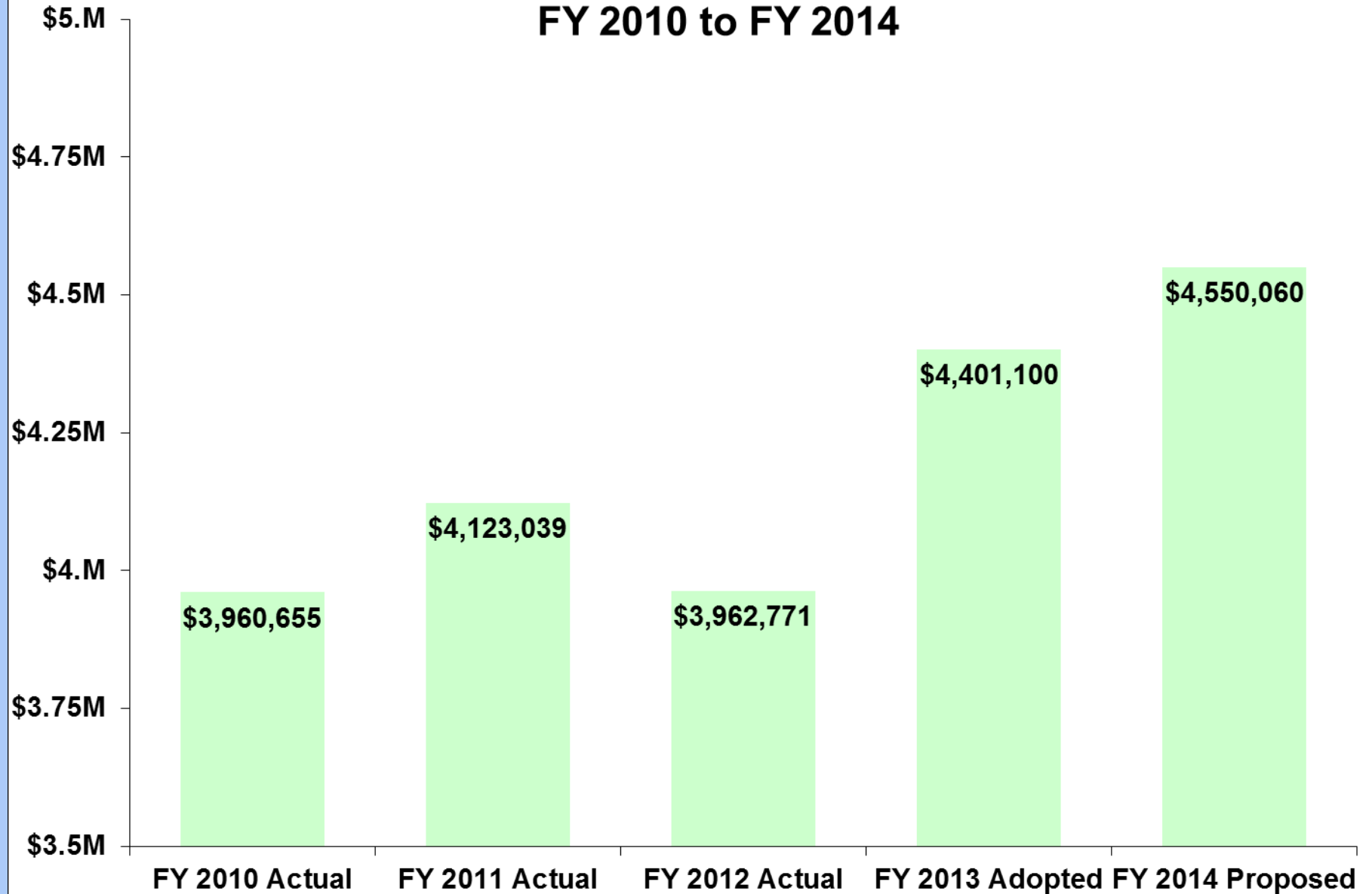
Debt Service Increase

Impact of “Pay for Performance” Increases

## Employee Benefit Expenditures, General Fund, FY 2010 to FY 2014



## Debt Service Expenditures, General Fund, FY 2010 to FY 2014



# Balancing the General Fund

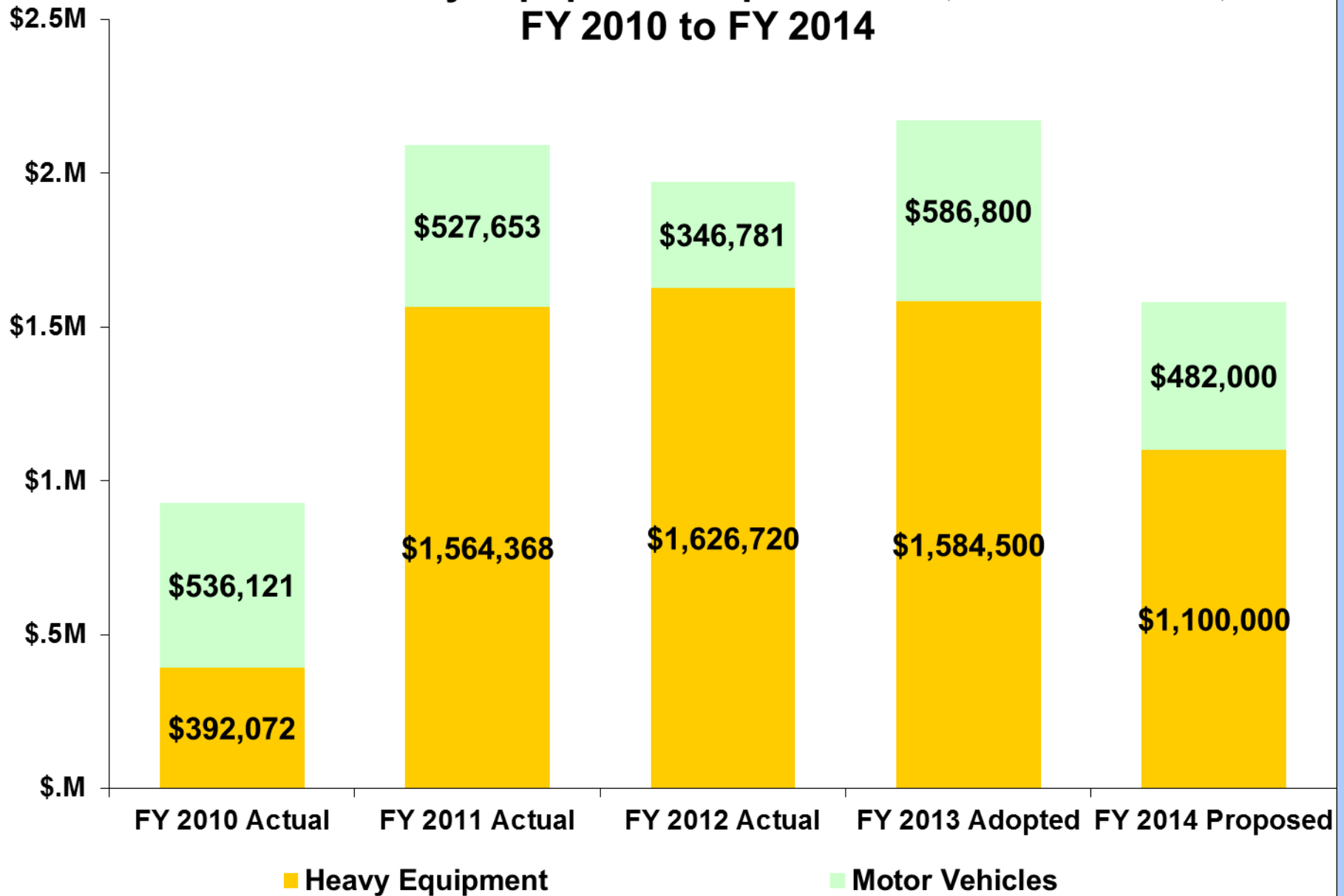
Froze 31 positions (52 total)

Curtail operating expenses

Evaluation of vehicle purchases & utilization

Reduce CIP-planned expenditures

## Vehicle & Heavy Equipment Expenditures, General Fund, FY 2010 to FY 2014





# **Significant FY 2014 Capital Reductions**

4 Police Vehicles (\$110,000)

Fire Vehicles & Equipment (\$655,000)

Streets Motor Grader (\$245,000)

Parks & Recreation Projects (\$100,000)

## **Total General Government Reduction**

\$1,537,500

(Debt Issuance reduced \$904,000)

# **General Fund Highlights**

No increase in property taxes

No increase in Fund Balance Appropriated

Funding for Council initiatives

# Neighborhood Redevelopment

- Housing incentive program
- Section 108 loan payment
- Douglas Block
- Community reinvestment activities

# General Capital Fund

**\$628,500**

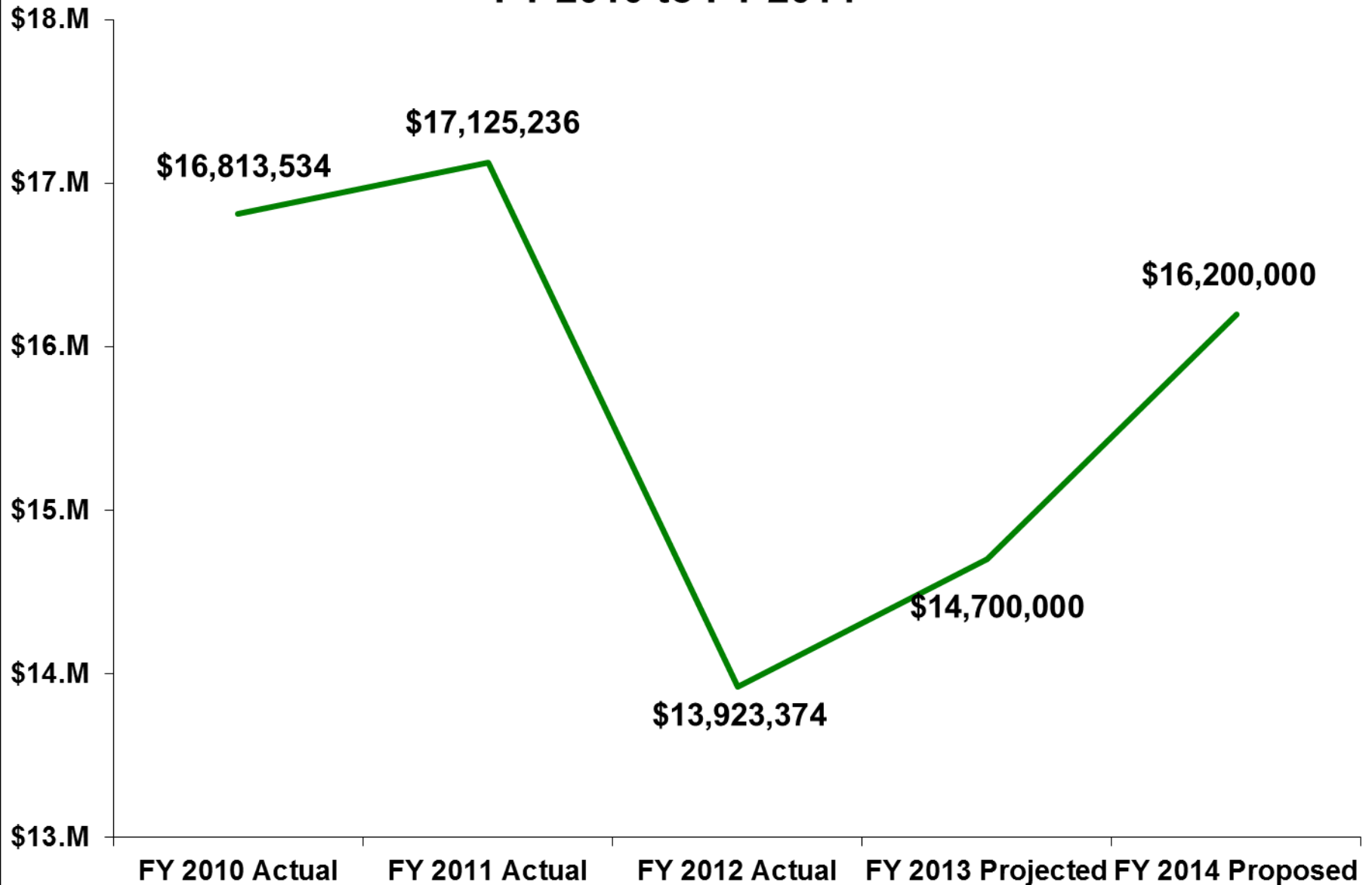
- 911 Call Center/CAD Generator & Police Firing Range improvements (\$72,250)
- Tennis Court Rehab at Sunset Park (\$250,000)
- Parks Master Plan Update (\$65,000)
- South Rocky Mount Community Center Planning (\$25,000)
- Improvements to Parks & Recreational facilities (\$216,250)

# Electric Fund

**\$95,265,190**

- 4 frozen positions
- Budget reductions in all divisions
- Continued capital reductions
- \$4/month residential customer charge increase

## Net Electric Sales Minus Wholesale Power Costs, FY 2010 to FY 2014



# Gas Fund

**\$23,673,000**

- 1 frozen positions
- Steady sales, with growing industrial and agricultural demand
- No fee/rate increases
- No debt budgeted

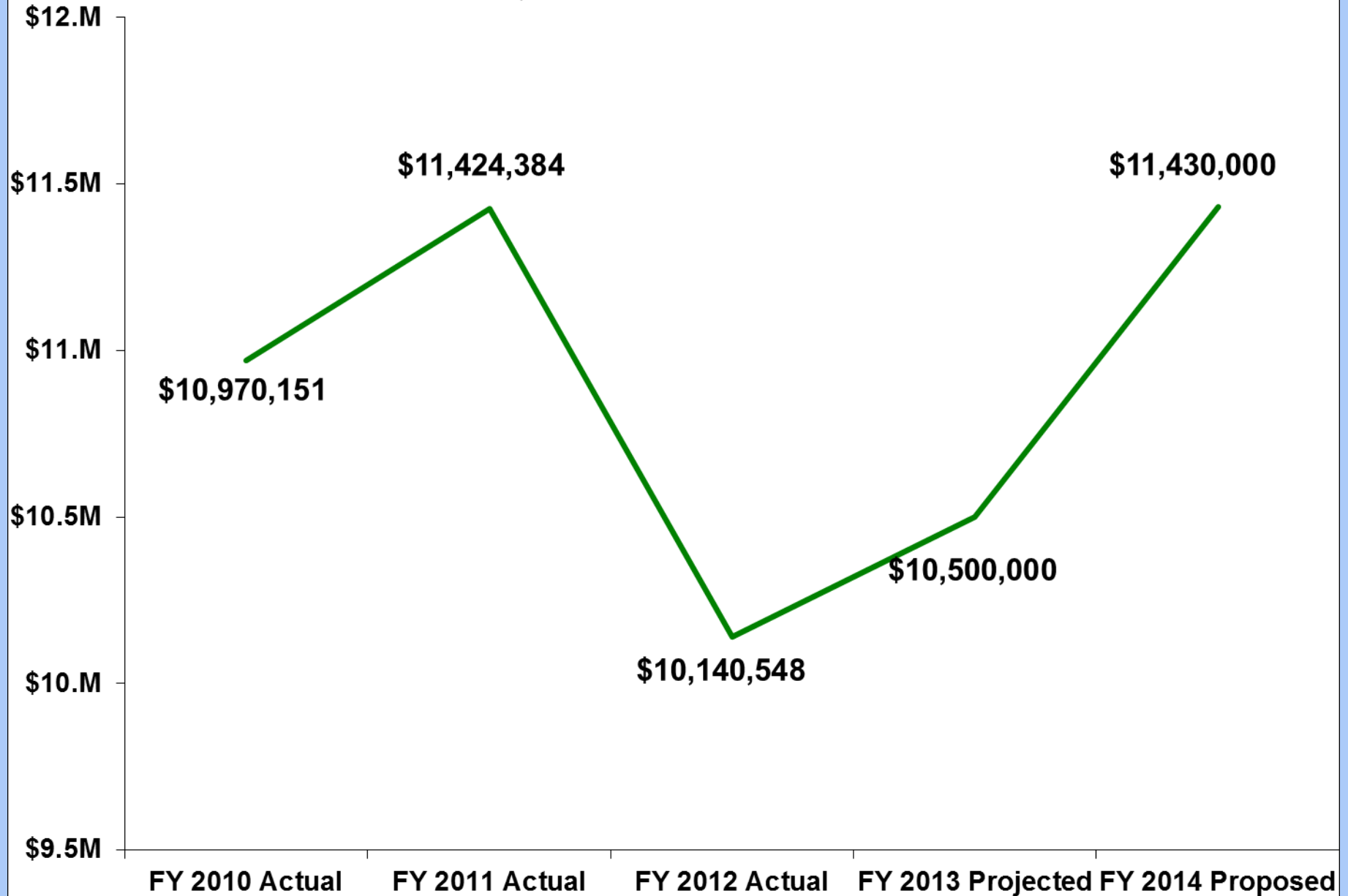
# Water Fund

**\$12,858,100**

- 8 frozen positions
- 5% rate increase
- Significant chemical and utility costs increases tied to treatment mandates (+\$300,000)
- Capital outlay reduced more than \$500,000



## Water Utility Sales, FY 2010 to FY 2014



# Sewer Fund

**\$12,695,250**

- 2 frozen positions
- No rate increase
- No significant extensions, capital outlay reduced more than \$2 million
- Debt service increased more than \$318,000 due to recent capital activity

# Stormwater Fund

**\$4,394,500**

- 7 frozen positions
- No rate increase
- Significant benefit costs increase, including anticipated workers comp payments
- One major capital project budgeted (Maple Creek)
- Need to build capital capacity for large projects

# Powell Bill Fund

**\$2,139,000**

- No growth in State funding support
- Focus on sidewalks (\$637,000)
- Grant match for signal system improvements (\$162,000) ends in FY 2015
- Intersection improvements on Benvenue, Bethlehem & Church (\$150,000)
- Update pavement condition survey (\$100,000)

# Emergency Telephone Fund

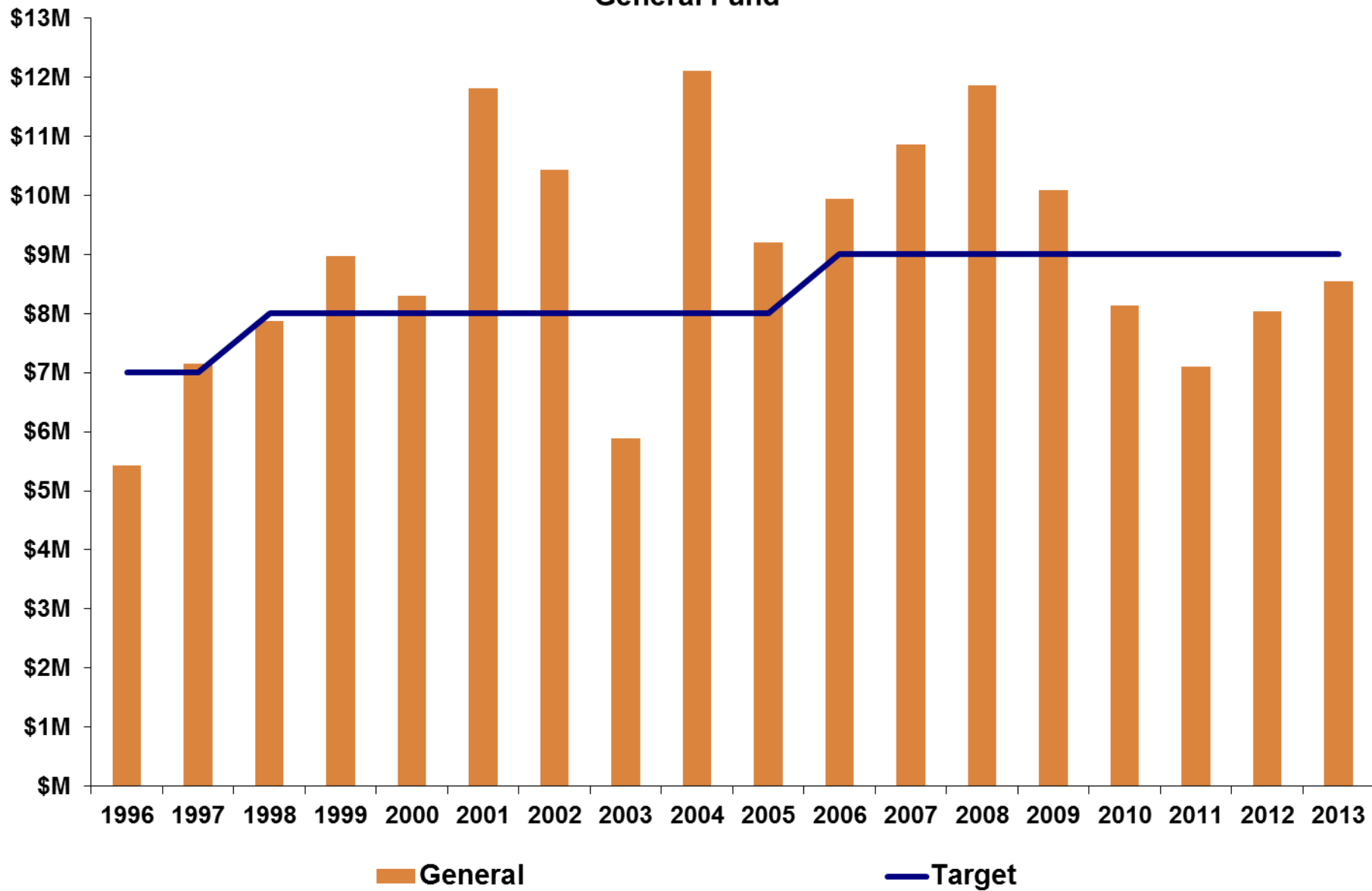
**\$343,700**

- 4.3% reduction in State funding
- \$77,000 to reimburse eligible staff costs, same as last year
- Majority of funding goes to eligible maintenance activities, service contracts and equipment purchases

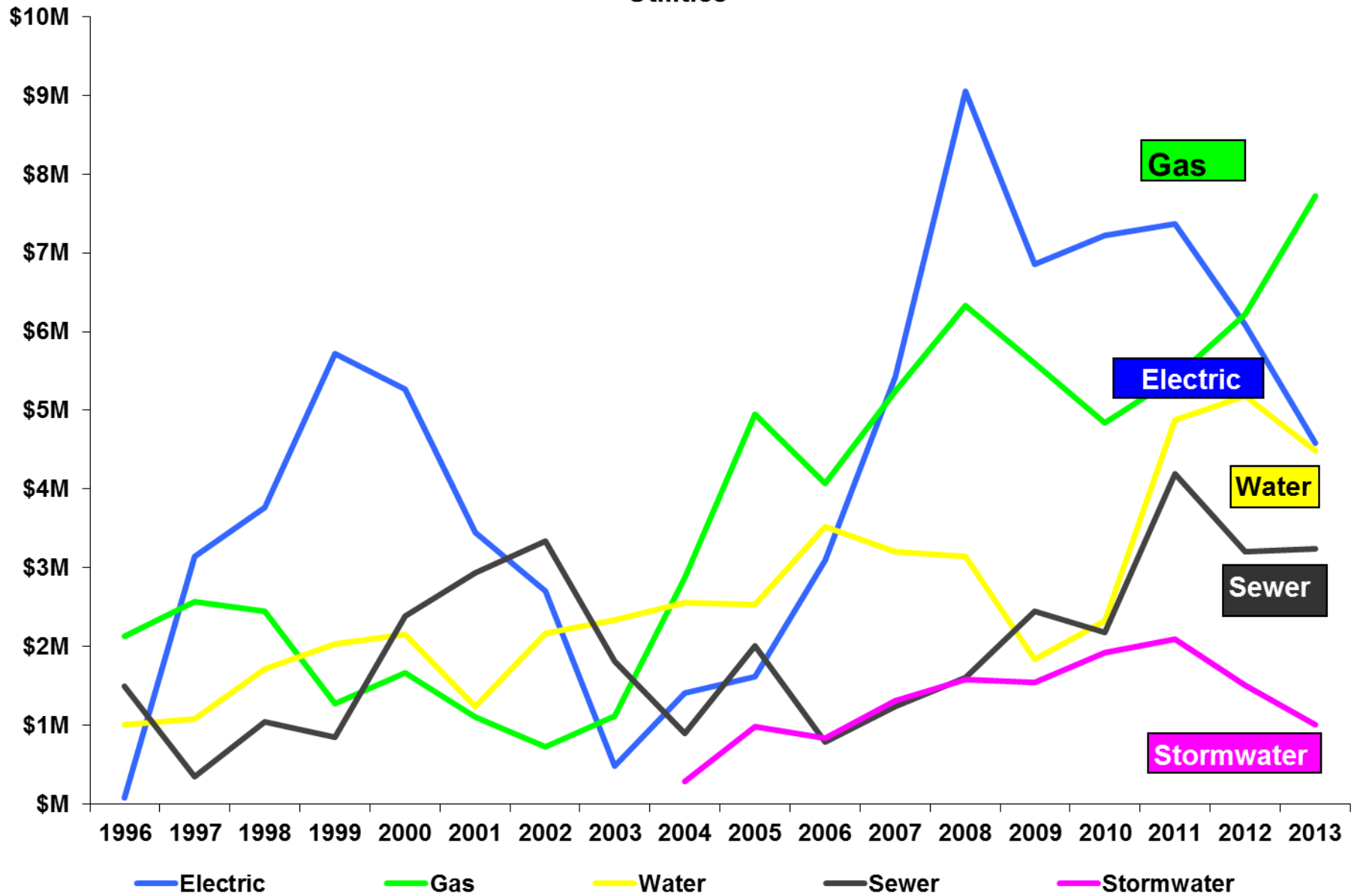
# CIP & Capital Budget Update

<b>Category (Service Area/Fund Source)</b>	<b>FY 2014 Capital Budget</b>	<b>2014-2018 CIP Total</b>
General Government		
Facilities	481,500	16,452,500
Downtown Development	588,200	2,537,100
Community Reinvestment	755,000	20,115,000
Public Transportation	900,000	6,740,000
Public Safety (Police & Fire)	527,250	9,029,750
Parks & Recreation	655,000	4,876,500
Public Works	1,712,000	7,623,000
Total General Government	\$ 5,618,950	\$ 67,373,850
Powell Bill	2,139,000	21,850,000
Electric	1,500,000	15,830,000
Gas	950,000	6,220,000
Water	1,740,000	9,345,500
Sewer	1,006,000	6,603,000
Stormwater	885,000	6,652,000
Total	\$ 13,838,950	\$ 133,874,350

## Fund Balance Trend General Fund



## Fund Balances Trend Utilities





# Outstanding Debt

	General Fund		Utilities	
	FY12	FY13	FY12	FY13
Installment Financing	\$11.3M	\$13.5M	\$13.5M	\$15.5M
HUD 108	\$2.5M	\$2.3M	-	
NCDOT/Senior Center	\$1.3M	\$1.2M	-	
Revolving Loan	-		\$5.3M	\$6.9M
Imperial Centre	\$9.1M	\$9.7M	-	
Total Outstanding Debt	\$24.2	\$26.7	\$18.8M	\$22.4

# Debt Per Capita

<b>2013</b>	<b>\$854*</b>
<b>2012</b>	<b>\$589 (\$747)*</b>
<b>2011</b>	<b>\$576 (\$736)*</b>
<b>2010</b>	<b>\$561 (\$717)*</b>
<b>2009</b>	<b>\$538 (\$698)*</b>
<b>2008</b>	<b>\$539 (\$711)*</b>
<b>State Average</b>	<b>\$793</b>

**\*including Imperial Centre obligation**

# General Fund Debt as % of Expense

<b>2014 (est)</b>	<b>8.42%*</b>
<b>2013</b>	<b>7.81%*</b>
<b>2012</b>	<b>5.7% (7.3%)*</b>
<b>2011</b>	<b>5.7% (7.1%)*</b>
<b>2010</b>	<b>6.8% (8.2%)*</b>
<b>2009</b>	<b>6.6% (7.5%)*</b>
<b>2008</b>	<b>5.7% (8.9%)*</b>

**\*including Imperial Centre obligation**

# **Proposed Changes to Fees & Charges**

# General Government Changes

## Environmental Services

Increase residential rollout cart service \$1/Month

Current: \$9.75/Month

Proposed: \$10.75/Month

Increase recycling service \$0.25/Month

Current: \$2.25/Month

Proposed: \$2.50/Month

Increase transfer station tipping fees \$1/Ton

Includes 1.5% CPI Increase for Disposal Costs

# General Government Changes

## Parks & Recreation

Increase City Resident rate for most fee-based Parks & Recreation Services by 10%, including

Athletics

Summer Camps

Picnic Shelters & Community Centers

Cemetery

Sunset Park

The Imperial Centre

Sports Complex

Premium rates adjusted for non-residents

# Utility Fee Changes

## Electric

\$4/month residential customer charge increase

Proportional increases in facility fee for other rate schedules

Not weather-dependent

Fee to cover cost of providing service

Minor adjustments proposed to Medium General Seasonal (G-15) and Peak Shaving Rider

# Utility Fee Changes

## Water

\$1/month increase to base customer fee for Inside-City customers

Current: \$8/month

Proposed: \$9/month

Increase tiered rates by 5%

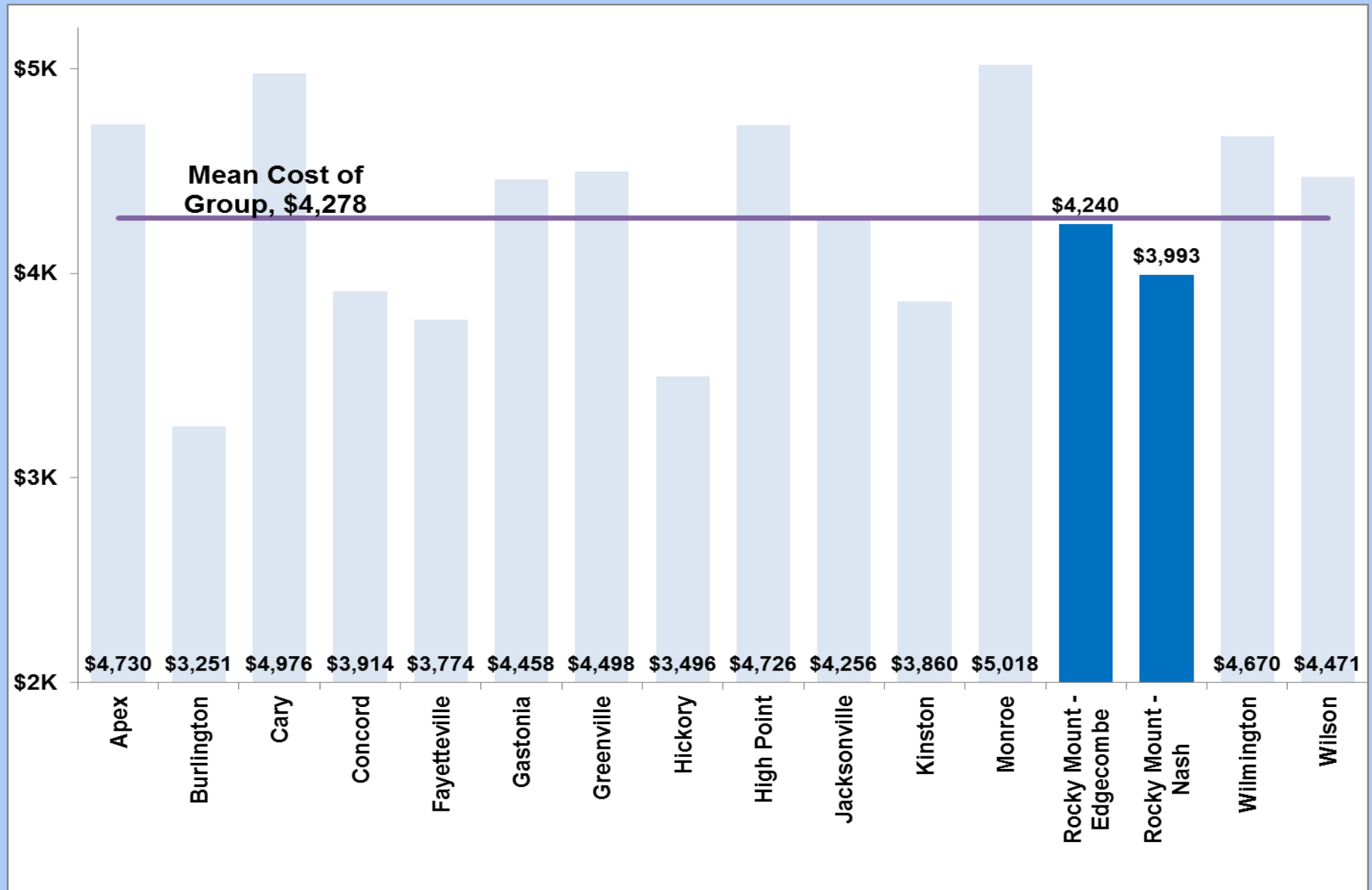
Offsets impact of increased costs due to treatment regulation requirements



# Cost of Living Analysis

CITY	COUNTY	Electric Provider	City & County Ad Valorem	Annual Electric @1,000 kWh/Mth	Annual Water & Sewer @ 3,000 Gal/Mth	Annual Solid Waste & Stormwater	Total Cost	Rank
Apex	Wake	MOU	2,583.50	1,418.52	533.76	193.80	4,729.58	3
Burlington	Alamance	Duke Power	1,670.90	1,233.55	250.77	96.00	3,251.22	16
Cary	Wake	Progress	3,000.30	1,265.32	530.88	180.00	4,976.50	2
Concord	Cabarrus	MOU	2,192.44	1,209.49	460.28	51.60	3,913.82	12
Fayetteville	Cumberland	MOU	1,878.92	1,264.80	472.32	158.00	3,774.04	14
Gastonia	Gaston	MOU	2,508.79	1,565.49	302.88	81.00	4,458.17	8
Greenville	Pitt	MOU	2,172.00	1,643.88	483.00	199.20	4,498.08	6
Hickory	Catawba	Duke Power	1,842.67	1,233.55	252.27	168.00	3,496.49	15
High Point	Guilford	MOU	2,512.40	1,448.14	681.11	84.00	4,725.65	4
Jacksonville	Onslow	Progress	2,151.67	1,265.32	659.30	180.00	4,256.29	9
Kinston	Lenoir	MOU	1,804.56	1,090.20	647.45	318.00	3,860.21	13
Monroe	Union	MOU	2,162.70	2,135.04	479.56	240.60	5,017.90	1
Rocky Mount	Edgecombe	MOU	1,872.00	1,746.46	411.84	210.00	4,240.30	10
Rocky Mount	Nash	MOU	1,625.00	1,746.46	411.84	210.00	3,993.30	11
Wilmington	New Hanover	Progress	2,425.66	1,265.32	604.14	375.00	4,670.12	5
Wilson	Wilson	MOU	1,979.55	1,692.00	541.80	257.28	4,470.63	7
		<b>Mean</b>	<b>2,148.94</b>	<b>1,451.47</b>	<b>482.70</b>	<b>187.66</b>	<b>4,270.77</b>	
		<b>Median</b>	<b>2,157.18</b>	<b>1,341.92</b>	<b>481.28</b>	<b>186.90</b>	<b>4,357.23</b>	

# Cost of Living Analysis



# Questions?

Public Hearing: June 10<sup>th</sup>

Budget Adoption: June 24<sup>th</sup>

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